

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8202

BILL NUMBER: HB 1933

DATE PREPARED: Jan 25, 1999

BILL AMENDED:

SUBJECT: County land valuation commission.

FISCAL ANALYST: Bob Sigalow

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FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill reestablishes the county valuation commission with the commission's pre-1997 membership. It provides that the county property tax assessment board of appeals shall review and modify the land values determined by the land valuation commission.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Under this proposal, the county fiscal body would be permitted to grant a per diem to the county and township assessors for each day that the assessors are engaged in service to the county land valuation commission. The per diem rate for each county is set by the individual county. The fiscal impact of this provision depends on the whether or not the county grants a per diem to the assessors, the amount of time that the assessors spend on commission work, and the per diem rate in the county.

Explanation of Local Revenues: County land valuation commissions were abolished by HEA 1783 (97) in favor of having township assessors determine land values by November 1 preceding the effective date of a general reassessment. This bill reestablishes the county land commissions in the exact form as they existed before 1997. Each commission would be comprised of nine members including the county assessor, who serves as chairperson, two township assessors, one real estate broker or salesperson, four individuals representing the four classes of land, and one individual representing a financial institution.

The commissions would determine the value of all land in the counties using State Tax Board guidelines. The county property tax assessment board of appeals would review the values and make any necessary

modifications necessary to provide uniformity and equality. Since the county land valuation commissions would determine land values on a county-wide basis, it is assumed that there would be an initial high level of uniformity within the county. Under current law, if the township assessors determine land values, the values would probably be uniform within the township, but they may not be uniform county-wide. Better uniformity among property assessments would help to produce a fairer distribution of the property tax burden.

State Agencies Affected: State Board of Tax Commissioners.

Local Agencies Affected: County assessors; County auditors; County land valuation commissions; County property tax assessment boards of appeals; Township assessors.

Information Sources: